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BEFORE THE ARIZONA CORPORATION COMMISSION  
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Arizona Corporation Commission  
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AZ CORP COMMISSION  
DOCKET CONTROL

MAR 26 2015



IN THE MATTER OF THE APPLICATION OF  
ORANGE GROVE WATER COMPANY, INC. FOR  
APPROVAL OF THE SALE OF ITS ASSETS AND  
CANCELLATION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

DOCKET NO. W-02237A-15-0008

PROCEDURAL ORDER

**BY THE COMMISSION:**

Orange Grove Water Company, Inc. ("OGWC") is an Arizona corporation authorized to provide water utility service in Somerton, in Yuma County, pursuant to a Certificate of Convenience and Necessity ("CC&N") granted by the Arizona Corporation Commission ("Commission") in Decision No. 43621 (August 30, 1973) and extended in Decision No. 54050 (May 24, 1984).

On January 14, 2015, OGWC filed with the Commission an Application for Approval of the Sale of Its Assets and Cancellation of Its Certificate of Convenience and Necessity ("Application"). OGWC's Application states that the City of Somerton ("City") has offered to purchase OGWC and that OGWC has accepted the offer. OGWC seeks Commission approval for the sale of its assets, along with cancellation of its CC&N. With its Application, OGWC included a copy of the Asset Purchase Agreement and Escrow Instructions executed by OGWC and the City on July 16, 2014 ("Agreement"). The Agreement provides, *inter alia*, that the City and OGWC entered into the Agreement in lieu of the City's potentially condemning OGWC's system through eminent domain and that the City will assume the sole right, duty, and obligation to provide water utility service within the CC&N service area upon Commission approval of the Application and close of escrow. Under the Agreement, OGWC is to receive a purchase price of \$550,000. OGWC reports that it currently provides service to approximately 300 connections.

On February 6, 2015, OGWC filed a Notice stating that a copy of an attached notice form had been sent to all of its customers on January 19, 2015, and showing that notice had also been

1 published in the *Yuma Sun* on January 22, 2015.

2 On February 13, 2015, the Commission's Utilities Division ("Staff") issued an Insufficiency  
3 Letter notifying OGWC that Staff needed additional information to determine sufficiency  
4 requirements as outlined in Arizona Administrative Code ("A.A.C.") R14-2-402. Staff listed the  
5 additional information to be submitted.

6 On March 13, 2015, OGWC filed a Response to Insufficiency Letter, including several  
7 attachments.

8 On March 24, 2015, Staff issued a Sufficiency Letter stating that Staff had determined  
9 OGWC's Application, with additional data obtained from OGWC and through Staff's own research,  
10 to meet the minimum sufficiency requirements of A.A.C. R14-2-402(D).

11 It is now necessary to schedule the evidentiary hearing and establish the other procedural  
12 requirements to govern the process for this matter.

13 IT IS THEREFORE ORDERED that the **hearing** in this matter shall commence on **May 20,**  
14 **2015, at 10:00 a.m.,** or as soon thereafter as is practicable, at the Commission's offices, Hearing  
15 Room No. 2, 1200 West Washington, Phoenix, Arizona 85007.

16 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
17 105, except that all motions to intervene must be filed on or before **May 6, 2015.**

18 IT IS FURTHER ORDERED that any **motion to intervene shall conform** to the  
19 requirements of A.A.C. R14-3-105 and this Procedural Order.

20 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before  
21 **May 15, 2015.**

22 IT IS FURTHER ORDERED that **OGWC shall, by April 15, 2015, mail** a copy of the  
23 following notice by first class U.S. Mail **to each customer and each owner of land** within its  
24 CC&N service area **and cause the following notice to be published in a newspaper(s) of general**  
25 **circulation** in its CC&N service area, in the following form and style, with the heading in no less  
26 than 10-point bold type and the body in no less than 8-point regular type:

27 ...

28 ...

**PUBLIC NOTICE OF HEARING ON**  
**APPLICATION OF ORANGE GROVE WATER COMPANY, INC.**  
**FOR APPROVAL OF SALE OF ASSETS &**  
**CANCELLATION OF CERTIFICATE OF CONVENIENCE AND NECESSITY.**  
**(Docket No. W-02237A-15-0008)**

**Summary**

On January 14, 2015, Orange Grove Water Company, Inc. ("OGWC") filed with the Arizona Corporation Commission ("Commission") an Application requesting approval to sell its assets to the City of Somerton ("City") and obtain cancellation of its Certificate of Convenience and Necessity ("CC&N") to provide water utility service ("Application"). With its Application, OGWC included a copy of the Asset Purchase Agreement and Escrow Instructions executed by OGWC and the City on July 16, 2014 ("Agreement"). The Agreement provides, *inter alia*, that the City and OGWC entered into the Agreement in lieu of the City's potentially condemning OGWC's system through eminent domain and that the City will assume the sole right, duty, and obligation to provide water utility service within OGWC's CC&N service area upon Commission approval of the Application and close of escrow. Under the Agreement, OGWC is to receive a purchase price of \$550,000. OGWC reports that it currently provides service to approximately 300 connections.

If OGWC's Application is approved, the City will take over water utility service for all of OGWC's current customers and will be the only water utility service provider for what is now OGWC's CC&N service area. The City is not regulated by the Commission and would set the rates and charges for its services independently.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing OGWC's Application and has not yet made any recommendations. The Commission is not bound by the proposals made by OGWC, Staff, or any intervenor. The Commission will issue a Decision regarding OGWC's Application following consideration of testimony and evidence provided at an evidentiary hearing.

**How You Can View or Obtain a Copy of the Application**

Copies of the application are available from OGWC [COMPANY INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona 85007, for public inspection during regular business hours, and on the Internet via the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function.

**Public Hearing Information**

The Commission will hold a hearing on this matter beginning **May 20, 2015, at 10:00 a.m.**, in Hearing Room No. 2, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of hearing. Written public comments may be submitted at any time on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the "Submit a Public Comment" function or by mailing a letter, referencing **Docket No. W-02237A-15-0008**, to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, AZ 85007. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

**About Intervention**

Any person entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a person to participate as a party at hearing by presenting sworn evidence and cross-examining other parties' witnesses. **If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center no later than May 6, 2015, and send a copy of the motion**

1 to OGWC or its counsel and to all parties of record. Contact information may be  
 2 obtained using the Commission's e-Docket function.

3 Your motion to intervene must contain the following:

- 4 1. Your name, address, and telephone number, and the name, address, and  
 5 telephone number of any person upon whom service of documents is to be  
 6 made, if not yourself;
- 7 2. A short statement of your interest in the proceeding (e.g., a customer of  
 8 OGWC, an owner of land in OGWC's CC&N service area, etc.);
- 9 3. A statement certifying that you have mailed a copy of the motion to intervene  
 10 to OGWC or its counsel and to all parties of record in the case; and
- 11 4. If you are not represented by an attorney who is an active member of the  
 12 Arizona State Bar, and you are not representing yourself as an individual,  
 13 information and any appropriate documentation demonstrating compliance  
 14 with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

15 The granting of motions to intervene is governed by A.A.C. R14-3-105, except that all  
 16 motions to intervene must be filed on or before May 6, 2015. If representation by  
 17 counsel is required by Arizona Supreme Court Rule 31, intervention will be  
 18 conditioned upon the intervenor obtaining counsel to represent the intervenor. A  
 19 sample intervention request form is available at  
 20 <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

21 If you do not intervene, you will receive no further notice of the proceedings in this  
 22 docket. **However, all documents filed in this docket are available online** (usually  
 23 within 24 hours after docketing) at the Commission's website, [www.azcc.gov](http://www.azcc.gov), using  
 24 the e-Docket function. RSS feeds are also available through e-Docket. Failure to  
 25 intervene will not preclude any interested person from appearing at the hearing and  
 26 providing public comment or from filing written comments in the record of the case.

#### 27 **ADA/Equal Access Information**

28 The Commission does not discriminate on the basis of disability in admission to its  
 public meetings. Persons with a disability may request a reasonable accommodation  
 such as a sign language interpreter, as well as request this document in an alternative  
 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail  
[SABernal@azcc.gov](mailto:SABernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as  
 early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that OGWC shall file certification of mailing and  
 publication as soon as practicable after the mailing and publication has been completed, but no later  
 than May 6, 2015.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication  
 of same, notwithstanding the failure of an individual to read or receive the notice.

IT IS FURTHER ORDERED that Staff shall file its **Staff Report** and associated exhibits to  
 be presented at the hearing on or before April 24, 2015.

1 IT IS FURTHER ORDERED that any **objection or response to the Staff Report** from  
2 OGWC or any intervenor shall be made in writing and filed on or before **May 8, 2015**.

3 IT IS FURTHER ORDERED that each party to this matter may opt to receive service of all  
4 Procedural and Recommended Orders issued by the Commission's Hearing Division in this matter  
5 via e-mail rather than U.S. Mail, as permitted under A.A.C. R14-3-107(B). To exercise this option, a  
6 party shall send to [hearingsdivision@azcc.gov](mailto:hearingsdivision@azcc.gov), from the e-mail address at which the party desires to  
7 receive service, an e-mail request including the name of the party on whom service is to be made and  
8 the docket number for this matter. After a party receives an e-mail confirmation of its request from  
9 [hearingsdivision@azcc.gov](mailto:hearingsdivision@azcc.gov), the party will receive all future Procedural and Recommended Orders  
10 issued by the Hearing Division in this matter via e-mails to the address provided by the party, unless  
11 and until the party withdraws its request. Service of a document via e-mail shall be considered  
12 complete upon the sending of an e-mail containing the document to the e-mail address provided by a  
13 party, regardless of whether the party receives or reads the e-mail containing the document.

14 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
15 31, 38, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

16 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
17 Communications) applies to this proceeding and shall remain in effect until the Commission's  
18 Decision in this matter is final and non-appealable.

19 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to  
20 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the  
21 motion shall be deemed denied.

22 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,  
23 shall be filed within five calendar days of the filing date of the motion.

24 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five  
25 calendar days of the filing date of the response to the motion.

26 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
27 pursuant to Civil Procedure Rule 6(a) or (e).  
28

1 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
2 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona  
3 Supreme Court Rule 42). Representation before the Commission includes the obligation to appear at  
4 all hearings, procedural conferences, and Open Meetings for which the matter is scheduled for  
5 discussion, unless counsel has previously been granted permission to withdraw by the Administrative  
6 Law Judge or Commission.

7 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
8 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
9 hearing.

10 DATED this 25<sup>th</sup> day of March, 2015.

11  
12   
13 SARAH N. HARPRING  
14 ADMINISTRATIVE LAW JUDGE

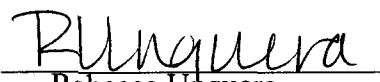
15 Copies of the foregoing mailed/delivered  
this 25<sup>th</sup> day of March, 2015, to:

16 Steve Wene  
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